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Letter Contract No. SC-56

MEMORANDUM FOR THE RECORD

SUBJECT: Concurrence in Letter Contract No. SC-56 with the Lockheed Aircraft Corporation - Project [REDACTED]-1(A) (AQUATONE)

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1. Letter Contract No. SC-56 provides for the services overseas of Contractor personnel trained under Contract No. SSC-55 by the Lockheed Aircraft Corporation - Project [REDACTED]-1. Such personnel consist of crew chiefs, flight line mechanics, plumbing, electrical and tank seal specialists, auto-pilot service personnel, check-out pilots and related supervisory and miscellaneous equipment service personnel.

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2. Recruitment and training of the above mentioned personnel has been proceeding under Contract No. SSC-55. Training thereunder has been completed for Detachment "A" personnel and will continue under SSC-55 through most of calendar year 1956 for Detachment "B" and "C" personnel. Since Detachment "A" is scheduled for deployment overseas on or about 1 May 1956, a separate contractual arrangement is required for operational services of the resultant trained crews and associated personnel being provided by the Lockheed Aircraft Corporation.

3. Letter Contract No. SC-56 visualizes a fiscal year service contract with such services being provided by the Contractor at a fixed man-month price per man. Such final man-month fixed price is yet to be negotiated and pending operational experience certain tentative salaries, burdens and costs have been agreed upon for progress billing purposes. Letter Contract No. SC-56 covers the period 1 April 1956 to 30 June 1956 only, utilizing fiscal year 1956 funds for this purpose. An option to extend the contract to cover FY-57 and FY-58 is included in the contract, but funds for the appropriate fiscal year must be utilized at the time the contract is so renewed.

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4. Project [REDACTED]-1, the Lockheed training program, obligated \$ [REDACTED] of FY-1955 funds under Contract No. SSC-55. Project [REDACTED]-1(A), the Lockheed operational service program, obligates [REDACTED] of FY-1956 funds under Letter Contract No. SC-56 for the balance of fiscal year 1956. Fiscal year 1957 funds will be required to continue Contract No. SC-56 for one

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year after 30 June 1956. It is estimated that some [REDACTED] will be required in fiscal year 1957 to fund [REDACTED] (A) to defray operational costs of Detachments "A," "B," and "C". These costs refer only to Lockheed Aircraft Corporation furnished personnel and do not include costs of training or operational services for personnel being furnished by other suppliers.

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5. Letter Contract No. SC-56 is scheduled to be replaced by a definitive contract by 15 June 1956.

6. It is recommended that the Director of Central Intelligence approve the signature of Letter Contract No. SC-56 by the authorized Contracting Officer for Project AQUATONE.

SIGNED

RICHARD M. BISSELL, JR.

CONCURRENCE:

SIGNED

General Counsel

SIGNED

4/30/56

Project Comptroller

Approval requested in paragraph 6 above, granted.

SIGNED

Director of Central Intelligence

SAPC-5780

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